

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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L & LEUNG HANDBAGS MFY., LTD.,

Case No.: 07 CV 10395 (RJS)

Plaintiff,

-against-

STONE MOUNTAIN ACCESSORIES, INC.,
and STONE MOUNTAIN ACCESSORIES,
INC., d/b/a STONE MOUNTAIN
HANDBAGS,

ANSWER

Defendants.

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Defendants, Stone Mountain Accessories, Inc. and Stone Mountain Accessories, Inc. d/b/a Stone Mountain Handbags ("Defendant"), by its attorneys, Silverberg Stonehill Goldsmith & Haber, P.C., as and for its Answer to Plaintiff's Complaint, respectfully sets forth and alleges as follows:

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph "1".

2. Admits the allegations contained in paragraph "2".

3. Denies the allegations contained in paragraph "3" except admits that Defendant maintains an office at 10 West 33rd Street, New York, New York.

4. Denies the allegations contained in paragraph "4" except admits that Defendant does business under the style name of "Stone Mountain Accessories".

5. Denies the allegations contained in paragraph "5".

6. Denies the allegations contained in paragraph "6".

7. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph "7" but admits that Defendant is a Georgia corporation doing business in the City, County and State of New York and that the amount in controversy exceeds the sum of \$75,000.00.

8. Denies the allegations contained in paragraph "8" except admits upon information and belief that venue is proper in this district.

9. Admit the allegations contained in paragraph "9" except refers the Court to the document referred to therein for the sum, substance and legal effect thereof.

10. Denies the allegations contained in paragraph "10".

11. Admits the allegations contained in paragraph "11" except refers the Court to the document referred to therein for the sum, substance and legal effect thereof.

12. Admits the allegations contained in paragraph "12".

13. Denies the allegations contained in paragraph "13".

14. Denies the allegations contained in paragraph "14".

15. Admits the service of a demand as alleged in paragraph "15", but denies the validity, propriety and accuracy thereof.

16. Denies the allegations contained in paragraph "16".

17. Denies the allegations contained in paragraph "17".

AS AND FOR A FIRST DEFENSE

18. The Complaint fails to state a claim upon which relief can be sought.

AS AND FOR A SECOND DEFENSE

19. Payment.

AS AND FOR A THIRD DEFENSE

20. The Complaint is barred by virtue of the doctrine of Accord and Satisfaction.

AS AND FOR A FOURTH DEFENSE

21. The Complaint is barred by virtue of the doctrine of Novation.

AS AND FOR A FIFTH DEFENSE

22. Plaintiff agreed that so long as Defendant was indebted to its factor, Plaintiff would not seek to commence a civil proceeding to enforce the debt due Plaintiff from defendant or prosecute any proceedings against Defendant for the collection of the debt due Plaintiff from Defendant.

23. The Defendant is indebted to its factor.

24. As a result, this action should be dismissed until such time as Defendant is no longer indebted to its factor.

WHEREFORE, Defendant demands judgment dismissing the Complaint together with such other and further relief as is just and proper including the costs and disbursements of this action.

Dated: New York, New York
December 13, 2007

**SILVERBERG STONEHILL
GOLDSMITH & HABER, P.C.**

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